



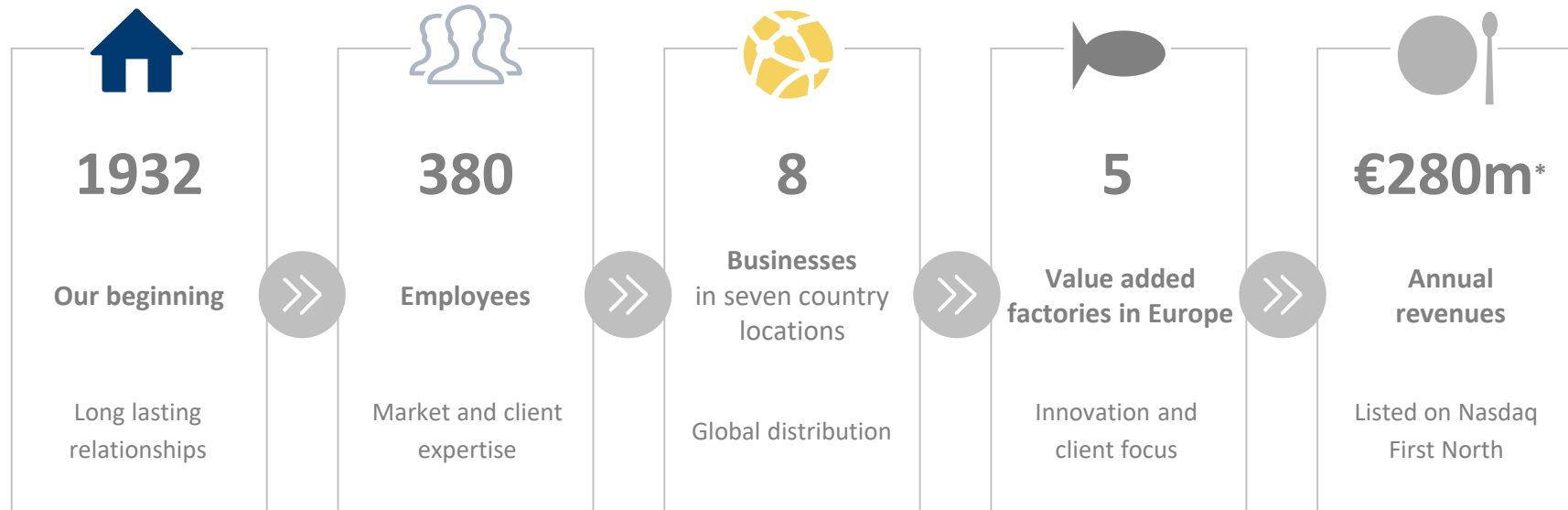
2017 Annual Results
Presentation to Investors and Analysts

Disclaimer

This presentation is furnished and intended for European market participants and should be viewed in that manner.

Any potential forward looking statements contained in this presentation are reflective of managements current views on future events and performance, whilst the views are based on positions that management believes are reasonable there is no assurances that these events and views will be achieved. Forward looking views naturally involve uncertainties and risk and consequently actual results may differ to the statements or views expressed.

A leading supplier of North Atlantic fish and seafood



Serving over 1,900 customers,
across 45 countries with circa 60 commercial managers

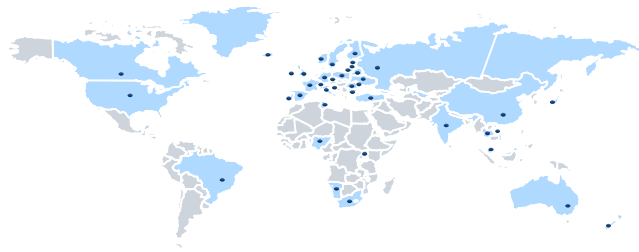
* Proforma 2017 including recently acquired Oceanpath subsidiary

Iceland Seafood Strategy

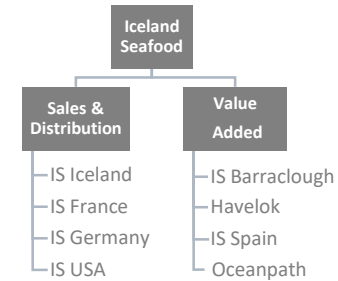
Focused on delivering higher margin growth and earnings over time, combined with acquisitions of first rate seafood companies



Regions where Iceland Seafood operates



In depth knowledge of our markets



Global sourcing with the core from Iceland, delivering to our customers' needs

Fresh



Frozen



Smoked



Salted



Leveraging our network to deliver value added products



2017 Key Headlines

Positive, very pleasing results given external challenges, with Normalised Profit before Tax of €3.5m, 6.5% ahead of the prior year

- Strong second half 2017 after a strike influenced the first half
 - Profit in second half up 39% on prior year
- New valuable customers secured include
 - Aldi, IKEA, Makro
- Excellent growth in fresh fish sales to USA
 - Doubling to \$10m
- Strong sales and profit growth in UK retail business despite ongoing Brexit effects on market
 - Combination of new listings and new products with existing customers
- Excellent overall performance in a challenging year for the seafood industry

€ m's	2017	2016
Turnover	249.1	246.3
Net Margin	19.5	19.0
Normalised* PBT	3.5	3.3
Net Income	2.6	2.6

- FX movements related to inventories are classified in cost of sales,
- Normalised PBT represents Profit before tax before allowing for significant items and discontinued operations



Operating Divisions
Total Divisional PBT* of
€5.0m in 2017

• Before HO costs

Value Added Division Update

Value Added

Sales & Distribution

Continued strong performance in Value Added division, Profit before Tax of €3.5m

- Division for 2017 incorporated three manufacturing sites in Barcelona, Grimsby and Bradford
- Servicing the retail and foodservice markets in the UK and Southern Europe

- PBT of €3.5m up 6.5% on 2016
- First half profit growth hindered by:
 - Weaker sales in Spain driven by strike
 - Delay in passing on raw material inflation
 - Sterling weakness compared to prior year saw profits lowered by €0.1m
- Second half positive results:
 - New listings saw revenue up 13.6%
 - Shellfish packing capacity was fully commissioned, new listings in 2017/8, now packing c€12m in-house
- Net debt up, reflecting new activity in 2017 & 2018

€ m's	2017	2016
Turnover	118.2	110.3
Normalised PBT	3.5	3.3
Net Debt	23.2	17.7



Iceland Seafood Spain

* Normalised PBT represents Profits before tax before allowing for significant items and discontinued operations

Sales & Distribution Division Update

Value Added

Sales & Distribution

Solid performance in the second half of the year offsetting strike impact in first half

- The Sales & Distribution division incorporates subsidiaries in Iceland, France, Germany and the USA
- Division sells to over 45 countries
- Shortfall in sales only 3.5% despite 10 weeks strike in beginning of the year:
 - Strike impact largely offset by strong sales growth of fresh into North America and increased sales of Frozen at Sea products
- First half shortfall in profitability made up by strong profits in second half, helped by:
 - Good demand in key markets supported by some quota increases for 17/18 season in Iceland
 - Good margins in France driven by products sourced outside of Iceland
 - Slight weakening of ISK in the second half of the year helped with stabilising operating costs

€ m's	2017	2016
Turnover	164.6	170.5
Normalised PBT	1.5	1.5
Net Debt	1.3	1.7





2017 Financials

Income Statement 2017



Very encouraging results given external factors, with Normalised Profit before Tax up 6.5%

- Sales growing by €2.8m, despite €9m strike impact on sales within Sales & Distribution and Spain:
 - New listings within Value Added delivering significant growth in the second half of the year
 - Sales to North America up 27% from prior year
- Normalised EBITDA of €5.7m, up €0.2m on the prior year
- Second half normalised PBT €0.6m higher than the prior year, driven by sales and margin growth:
 - Sales growth within both operating divisions delivering net margin increase of €0.6m from prior year
 - Operating cost stabilising with slight weakening of ISK and GBP/EUR rate at similar level as same time last year.
- Divisional PBT of €5.0m before central costs

€m's	2017	2016	Variance
Income from Sales	249.1	246.3	2.8
Gross Margin	34.2	33.8	0.4
Distribution costs	(14.7)	(14.8)	0.1
Net Margin	19.5	19.0	0.5
	7.8%	7.7%	
Normalised PBT*	3.5	3.3	0.2
	1.4%	1.3%	
Significant items / discontinued Tax	(0.2)	(0.2)	-
	(0.7)	(0.5)	(0.2)
Profit	2.6	2.6	-

• FX movements related to inventories are classified in cost of sales,
 • Normalised PBT represents Profit before tax, before allowing for significant items and discontinued operations

Balance Sheet

Strong Balance Sheet supporting future growth

€m's	31.12.17	31.12.16	Variance
Fixed assets	8.5	8.7	(0.2)
Intangible assets	8.9	9.0	(0.1)
Deferred tax/other	1.6	1.2	0.4
Non Current Assets	19.0	18.9	0.1
Inventory	30.6	20.0	10.6
Trade and other receivables	35.1	32.9	2.2
Other assets	1.2	1.3	(0.1)
Bank deposit and cash	2.2	1.8	0.4
Current Assets	69.1	56.0	13.1
Assets held for sale	0.1	0.1	-
Total Assets	88.2	75.0	13.2

€m's	31.12.17	31.12.16	Variance
Total Equity	17.7	15.4	2.3
Obligations	0.6	0.4	0.2
Long term loans	0.9	1.6	(0.7)
Non Current Liabilities	1.5	2.0	(0.5)
Trade payables	25.6	19.6	6.0
Bank loans	39.4	34.1	5.3
Other current liabilities	3.2	3.1	0.1
Current maturities long term loans	0.8	0.8	-
Current Liabilities	69.0	57.6	11.4
Total Equity and Liabilities	88.2	75.0	13.2

- Total assets increase by €13.2m from prior year, reflecting increased activities in the second half of the year, mostly funded with higher payables, up €6.0m
- Net debt of €38.1m only €4.1m higher than last year, with long term debt reducing to €0.9m at year-end
- Majority of remainder a debt revolver secured against inventory and receivables. Borrowing headroom in excess of €20m at year end 2017, with loan recently extended to 2022




Oceanpath

Oceanpath - an introduction

- Oceanpath is the leading fresh fish supplier to retailers in the Republic of Ireland
- It operates from two manufacturing plants:

 Oceanpath
<ul style="list-style-type: none">• Established 1991 by the Ecock family• Fresh fish facility built in 2002 based in Howth, Dublin• Supplies the finest fresh fish, shell fish and exotic fish• Has a retail training centre

 Dunn's of Dublin
<ul style="list-style-type: none">• Established 1822, acquired by Oceanpath in 2006,• Prepared and 'ready-to-eat' facility built in 1996, in Finglas, Dublin• Smoked and ready to eat products including salmon, trout and mackerel

- Business is recognised locally as class leading, awards include:
 - Best seafood supplier in Ireland by Checkout in 2017
 - 33 Great taste awards on its products
 - BIM national award for innovation
- Key customers include the no1 & no2 retailers in Ireland
- Top species supplied include salmon, cod and hake

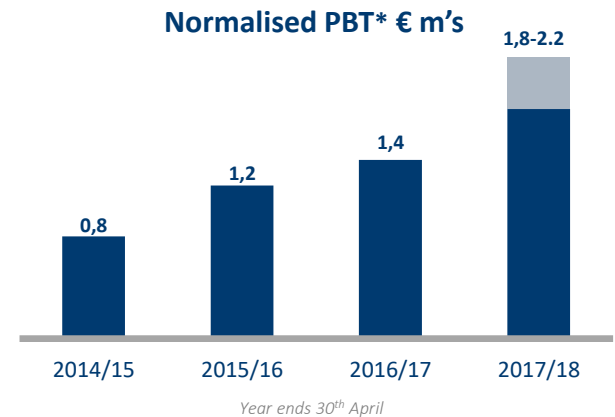
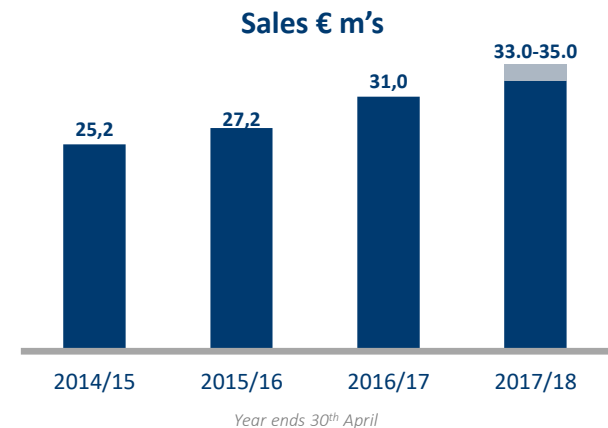
Oceanpath - an introduction



Oceanpath - financials and deal structure

Business has a strong track record of sales and profit growth:

- Highly profitable business with significant historical growth
 - Annual growth in sales (CAGR) in excess of 10% since 2015, seeing PBT more than doubling over the same time.
- Outline deal structure
 - Cash free, debt free
 - Purchase price:
 - Payment at completion - €7.44m
 - Payment July 2018 - €2.48m
 - Payment July 2019 - €2.48m
 - Potential earn out payments of up to €1m, dependant on average two year results until end of April 2019.
- Funding
 - New €5m term loan being finalised with banking partners,
 - Remainder funded from cash
- Opportunities



Supply

Domestic Growth

Global Distribution

Knowledge Transfer

Group sales in excess of €280m and Profit Before Tax of €5m post transaction

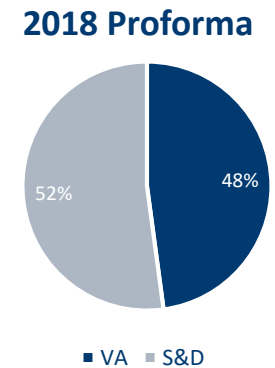
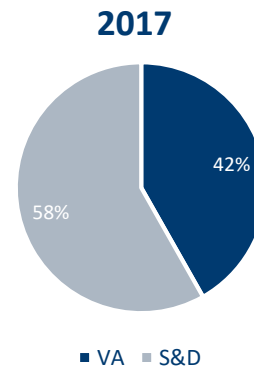
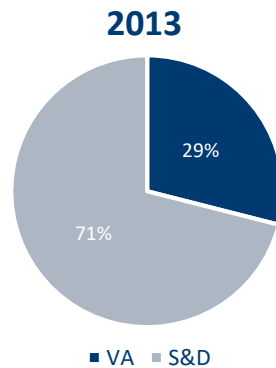
€ m's	ISI 2017	Oceanpath 2017/18 est	Funding cost	ISI 2017 Proforma
Turnover	249.1	33.0 - 35.0		282 - 284
Net Margin	19.5	4.8 - 5.2		24.3 - 24.7
Normalised* PBT	3.5	1.8 - 2.2	(0.4)	4.9 - 5.3
Net Income	2.6	1.5 - 1.9	(0.3)	3.8 - 4.2

* Proforma based on 2017 audited figures for ISI and estimates for current financial year for Oceanpath, ending 30.4.2018

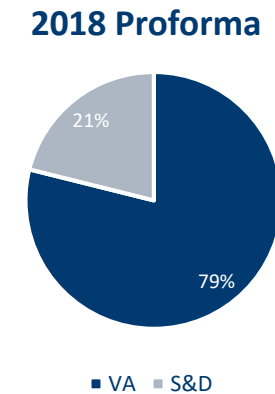
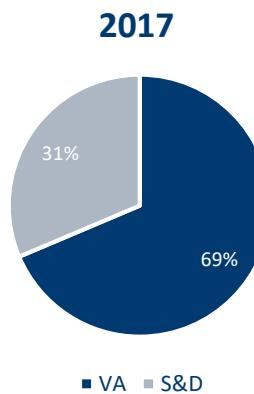
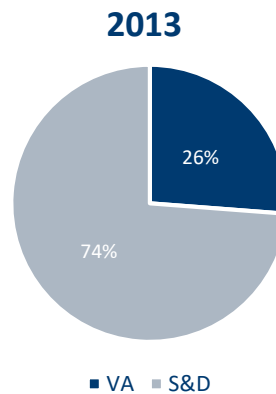
Value Added Division increase to 79% of divisional PBT

Focus on value added activities continues to drive strong group profit growth

Turnover

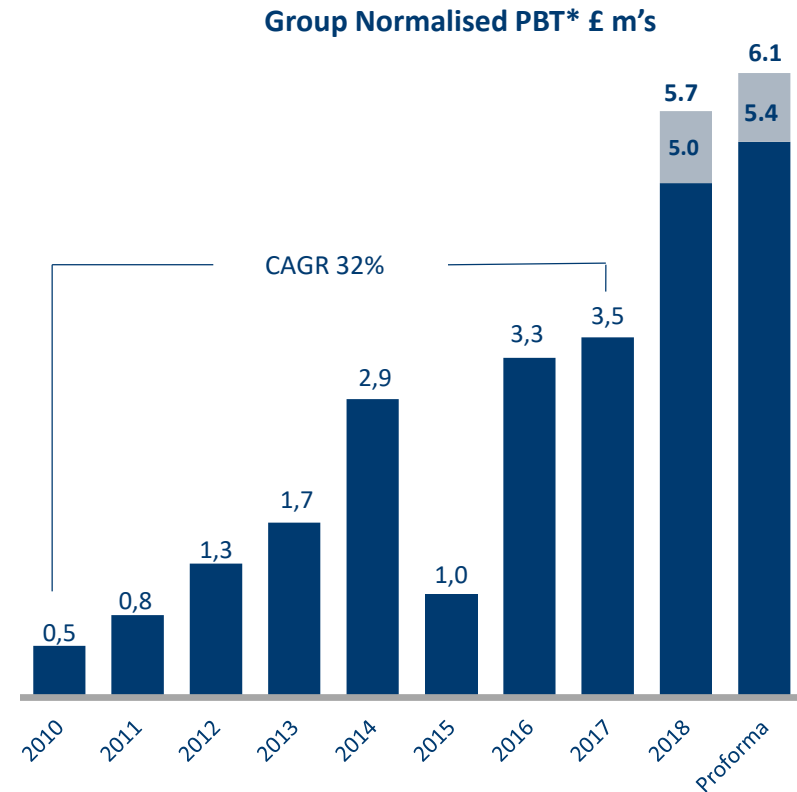


Profit Before Tax



ISI's strategy of strong organic growth and focused acquisitions is leading to strong annual growth rates

- Outlook for 2018:
 - Seafood demand expected to remain strong in key markets
 - Upward price trends on some products and species
 - Global cod supply to reduce in 2018, Iceland quota up
 - Oceanpath to contribute strongly to ISI's profit growth
 - Full year Normalised PBT estimated at €5.0 - 5.7m, including 9.5 months of Oceanpath
 - Underlying Divisional Normalised PBT est. at €7.0 - 7.7m
 - Proforma full year including Oceanpath est. at €5.4 - 6.1m
- Uncertainty:
 - Group's results are influenced by fishing and quota changes in Iceland and the North Atlantic
 - Changes in underlying global economic conditions, currency rates, competition and consumer behaviours all generate uncertainty
- Growth:
 - Group continues its strategy of strong organic growth supported by smart, strategic investments in well positioned companies



- Normalised PBT represents Profits before tax before allowing for significant items and discontinued operations
- Proforma based upon 2018 outlook for ISI and estimates for Oceanpath as if it was owned for the full year



Appendices

Strategy is aligned with global trends



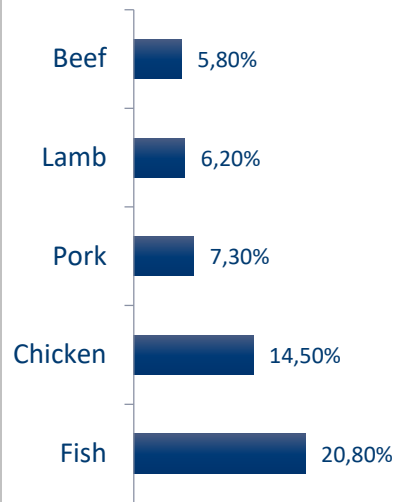
Need for food solutions



- Easy and quick to prepare
- Tasty and innovative
- Right for consumer, the environment and consumers social standards



Drive towards healthy living



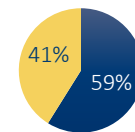
- Governments: “Eat more seafood”
- Millennials’ lifestyle is healthier
- Consumer is becoming more selective

Source: Seafish.org

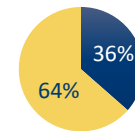


Growing middle class

2015: 7,4 bn



2030: 8,5 bn



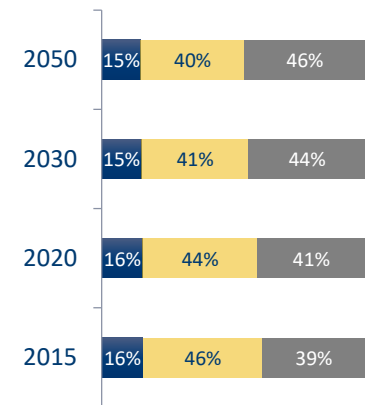
■ Middle Class ■ Rest of World

- Middle class will nearly double by 2030
- Asia is the engine of growth

Source: Brookings.edu



Older western population



■ 0-14 years ■ 15-50 years ■ 50+ years

- Western population ageing,
- Seafood consumption increases with higher age

Source: Eurostat

Executive Team background



Helgi Anton Eiríksson
Chief Executive Officer

- 25 years of involvement within the global seafood industry including sales, procurement, operations and financing.
 - Board member of SFS (Fisheries Iceland) (2015-current)
 - Blueberg, M&A advisory company (2009-10)
 - Glitnir; Management Board (2007-08)
 - Director of Islandsbanki (2004-06)
 - Director of Coldwater Seafood (Icelandic Group);
 - Procurement Director, Coldwater UK (1998-2004)
 - Sales Director, Coldwater UK (1995-98)
 - Icelandic Group (Marketing, 1992-95)



Lee Camfield
Chief Operations Officer

- 30 years of financial and operational experience within the food industry, including:
 - COO of British Seafood (2009-10)
 - CFO of Real Good Food Company PLC (2004-09)
 - Financial Controller of Golden West Foods (2001-2004) and Heinz (Purchasing, 2000-2001)
 - Business Development Manager of The Cheese Company (1996-1999)
 - Different positions at Coca-Cola, (1986-1996)

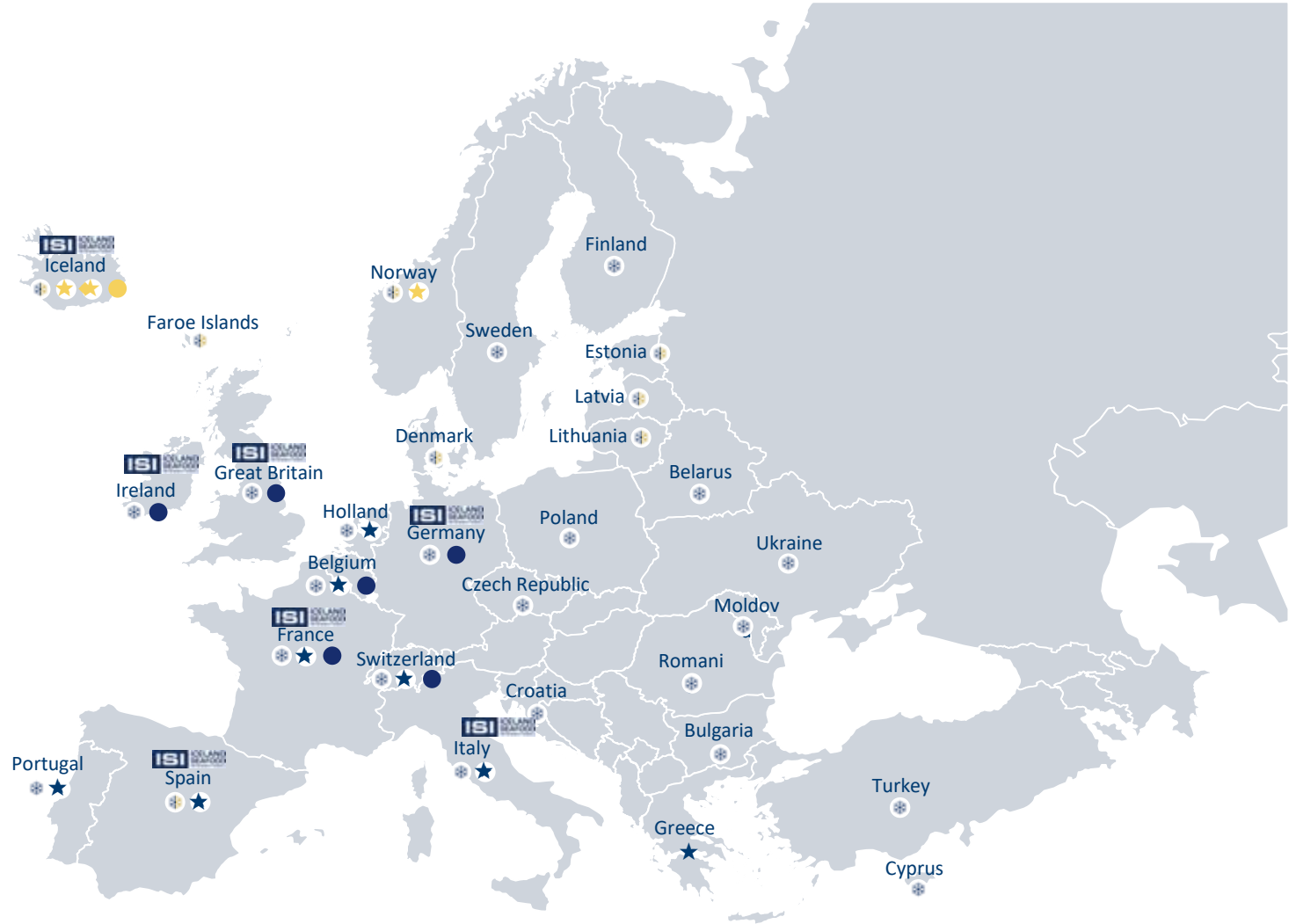


Reynir Jónsson
Chief Financial Officer

- Over 15 years experience within financial advisory and the seafood sectors in Iceland
 - Deloitte Financial advisory services (2008-2013) first as a Director and later Partner
 - Manager at Glitnir Bank Copenhagen (2007-2008)
 - MSc Finance and Strategic management from Copenhagen Business School in 2007
 - Financial Controller of HB Grandi (2003-2006)
 - Deloitte auditing and accounting services (2000-2003)

European network

- ❄️ Frozen seafood sales
- ❄️ Frozen seafood sourcing
- ★ Saltfish sales
- ★ Saltfish sourcing
- ◆ Dry fish sales
- ◆ Dry fish sourcing
- Fresh seafood sales
- Fresh seafood sourcing



Rest of world network

